

III-17

"WE WOULD EXPECT . . . OTHER STATES . . . TO RE-EXAMINE . . . THE EXTENT OF THEIR COMMERCE WITH THE CASTRO COMMUNIST GOVERNMENT OF CUBA": Statement Made by the Secretary of State (Rusk) Before the House Select Committee on Export Control, February 5, 1962 (Excerpt)⁷⁰

I am pleased to have this opportunity to discuss trade with Cuba as well.⁷¹ It is a particularly timely subject in the light of the decisions taken at the meeting of foreign ministers at Punta del Este.⁷² The foreign ministers declared the Marxist-Leninist government of Cuba incompatible with the principles and objectives of the inter-

⁷⁰ References to the Liberator of northern South America from Spain and to the Nicaraguan rebel who evaded United States Marines and raided Nicaraguan towns in the early 1930's.

⁷¹ Department of State press release No. 80 (text as printed in the Department of State *Bulletin*, Feb. 26, 1962, pp. 346-349).

⁷² In the first portion of his statement, the Secretary discussed trade with Yugoslavia; see *post*, doc. V-11.

⁷³ See *ante*, doc. III-12.

American system and excluded the Castro regime from the inter-American system. The foreign ministers further voted to suspend immediately all trade with Cuba in arms and implements of war and instructed the Council of the OAS to study the feasibility and desirability of extending the suspension to other items, with special attention to items of strategic importance.

As you know, we have been concerned that the Castro regime continues to earn badly needed hard currency from the sales of its exports to this country. The President proclaimed, therefore, on February 3, 1962, the prohibition of all Cuban imports into the United States.⁷³

Regarding the status of our trade with Cuba, I should like to recall that the United States in 1960 undertook two economic measures with respect to a hostile Castro regime already allied with the Sino-Soviet bloc and bent on a conspiracy to destroy the inter-American system. The U.S. set the Cuban sugar quota at zero to insure reliable sources of supply for this product.⁷⁴ The United States further placed all goods except foods, medicines, and medical supplies under validated license control toward Cuba.⁷⁵ The United States actions effected a marked drop in the volume of trade that had been steadily decreasing because of the deliberate shift by Cuba of its trade to the Sino-Soviet bloc.

Total United States trade with Cuba in 1961 was less than one-twentieth of its value in 1958, and in the 3 years since Castro came to power total annual U.S. trade with Cuba has declined more than a billion dollars. In 1958 United States exports to Cuba were valued at \$547 million and U.S. imports from Cuba totaled \$528 million. This past year our exports to the Castro regime were an estimated \$14 million and our imports from Cuba were an estimated \$35 million.

The decision by the Castro government to communize the Cuban people has resulted in the continuing deterioration of the Cuban economy. The experienced middle- and upper-level managerial and technical talent has fled the Cuban tyranny and has not been replaced. An ill-suited system of state controls has been imposed on an industrial and agricultural base organized for free enterprise. Castro Communist central planners and administrators have confessed gross mismanagement of the Cuban economy. The drastic shift in external trade from the United States to the Sino-Soviet bloc has produced shortages in raw materials, industrial equipment, spare parts, consumer goods, and foreign exchange. The Sino-Soviet bloc has failed to make up these shortages.

We would expect that increased control of trade with Cuba by the United States and the Latin American countries will make evident to the member governments of NATO and other states friendly to the United States and to the objectives of the free world the need to re-examine their trade policies and the extent of their commerce with the Castro Communist government of Cuba.

⁷³ See *ante*, title III-15.

⁷⁴ See *American Foreign Policy: Current Documents, 1960*, p. 249.

⁷⁵ See *ibid.*, p. 240.